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ALAN K. ALLRED
DIRECTOR, RATES

RECEIVED

SEP 9 8 50 AM '97
September 5, 1997

UTAH PUBLIC
SERVICE COMMISSION

Ms. Julie Orchard
Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84110

Dear Ms. Orchard:

Re: Mountain Fuel's Monthly Report of
Intercompany Loan Activity as
Required by the Commission in its
Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Mountain Fuel Supply Company's intercompany loan activity in July. The forms show that Mountain Fuel has loaned Questar \$0.00 as of July 31, 1997. Also enclosed are three copies of the computation of the intercompany interest rates for August 1997.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Alan K. Allred

AKA/edz
Enclosures



MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

[illegible]

The intercompany interest rate calculation for the month of August, 1997 is shown below:

Market Borrowing Rate (1 month)	5.83%
Market Investment Rate (1 month)	<u>5.55%</u>
	11.38%
 Intercompany Interest Rate (Average)	 <u><u>5.69%</u></u>